

## Five-Year Capital Outlay – Implementation Plan for FY 2021-2025

*The 5-year comprehensive master plan should identify the schedule by which the institution proposes to address major capital deficiencies, and:*

- A. *Prioritize major capital projects requested from the State, including a brief project description and estimated cost, in the format provided. (Adjust previously developed or prior year's figures utilizing industry standard CPI indexes where appropriate).*

Lake Michigan College has currently been granted State Capital Outlay funding to Renovate and Upgrade the Main Building (Napier Academic). The scope of this project is to architecturally renovate approximately 52% (158,210 square feet) of the existing Main Building, replace mechanical origination systems/controls/distribution throughout the entire building and upgrade building electrical equipment and technology. The majority of the proposed work focuses on spaces for learning, academic support, collaboration and improved access to services, with the level of renovation varying considerably depending on location, from infrastructure and finishes only, up to full interior reconfiguration. Learning spaces both formal and informal will provide access to class materials and will be equipped to promote collaborative learning. The project also includes the replacement and relocation of the main elevator. This project has a total budget of \$33,000,000 and is scheduled to be completed March 2020.

The College developed a comprehensive 10-year capital plan for improvements at all campuses in alignment with the College strategic plan. The 10-year capital plan has four identified funding sources. The funding strategy began with a five-year conservative spending plan to increase general funds prior to 2016. Then the community successfully passed a capital 10-year millage in 2016 and the same year was awarded an \$8.4M State of Michigan capital outlay grant. Finally the \$7.5M capital fund raising campaign was the tipping point to launching a massive campus transformation with construction beginning Spring 2018, along with the purchase of the Western Michigan University Southwest building (now named the Todd Center for Business, Education & Information Technology). The College master plan has continued to evolve and reflects the recent changes to our campus, including the opening of the new Welch Center for Wine & Viticulture.

See the **Master Plan** for further details.

- B. *If applicable, provide an estimate relative to the institution's current deferred maintenance backlog. Define the impact of addressing deferred maintenance and structural repairs, including programmatic impact, immediately versus over the next five years.*

Lake Michigan College has identified a five-year backlog of \$43,117,357 deferred maintenance and capital projects. Of this backlog, we have only identified \$1,689,275 of currently critical deferred maintenance items that have safety, regulatory or collateral damage

implications within one year. With the completion of the Main Building (Napier Academic) Renovation & Upgrade and the Mendel Center Energy Upgrades, our overall deferred maintenance as a percentage of capital replacement value (Facility Condition Index) has dropped from 0.13 in 2018 to 0.03, which is very good. Overall our facilities are in good condition and have been well maintained.

While newly constructed and generally operating without issue, the Hanson Technology Center acoustics within the lab spaces and in the main lobby commons have been a strain on instruction delivery. A recent study has identified two acoustic mitigation projects which will be addressed in future annual capital projects (categorized as “not critical”). Additionally, humidity control within the building has also been challenging. Excessive humidity has caused machine equipment to have increased maintenance due to rust formation. A study in 2018 identified some immediate changes to improve humidity, but more costly equipment changes were identified as future potential projects.

Finally, projects are in some cases designed to mitigate risk to our students and staff by providing a safe educational environment. Projects falling into this category include recent projects to add guard railing to the entry plaza, upgrade site lighting, install new security cameras, repair sidewalks, and provide additional emergency phones in the student/staff parking lots. Rigging safety repairs at both the Mendel Center Hanson Theatre and Mainstage have been included in recent projects, which in the case of Hanson Theatre has also included donor supported updates of theatre finishes and acoustics.

- C. *Include the status of on-going projects financed with State Building Authority resources and explain how completion coincides with the overall five-year Capital Outlay Plan.*

<u>Facility</u>	<u>Project Status</u>
South Haven Campus	Complete and operational
Todd Center (Newly transferred ownership from WMU)	Complete and operational
Main Building (Napier Academic) Renovation & Upgrade	Construction
	<i>Completion is planned for March 2020</i>

- D. *Identify to the extent possible, a rate of return on planned expenditures. This could be expressed as operational “savings” that a planned capital expenditure would yield in future years.*

The facility assessment includes several projects with energy savings. Estimates indicate that the College will save \$320,000 annually in utility costs for the next 20 years by replacing the existing HVAC system with an energy efficient, sustainable system at our Main Building on the Benton Harbor Campus; this work is currently under construction, for completion March 2020.

The College has also begun an Energy Upgrade and Modernization project, which will reduce energy and operational inefficiencies in the Mendel Center. Original infrastructure dates to 1991. Infrastructure improvements project annual utility savings of approximately \$92,000, and operational savings of \$17,000 for the next 20 years. Project completion will be Spring 2020.

Projects that have associated annualized cost savings include the following projects:

<u>Project</u>	<u>Estimated Cost</u>	<u>Annual Savings</u>
Mendel Center Energy Upgrades	\$2,320,000	\$109,000
Main Building (Napier Academic) Renovation & Upgrades	\$33,000,000	\$320,000

In addition, other projects, notably exterior envelope repair at our Main Building, while not resulting in an annual cost savings, do represent an eventual cost savings in reduced collateral damage to adjacent building infrastructure.

See the **Facility Assessment** for further details.

*E. Where applicable, consider alternatives to new infrastructure, such as distance learning.*

No new facility infrastructure for instruction is currently planned.

*F. Identify a maintenance schedule for major maintenance items in excess of \$1,000,000 for fiscal year 2021 through fiscal year 2025.*

Project Description	Estimated Cost	Implementation Year
Benton Harbor Site Improvements	\$1,000,000	FY'20-21
Replace Mendel Center North Parking Lot	\$1,189,000	FY '22
Parking Lot Deferred Maintenance - Other Lots	\$6,854,000	FY'23-25
Re-roof South Haven Facility	\$1,000,000	FY '22

*G. Identify the amount of non-routine maintenance the institution has budgeted for in its current fiscal year and relevant sources of financing.*

For the current fiscal year, Lake Michigan College has budgeted \$350,000 for non-routine maintenance projects, equipment and renovations.

See **Facility Assessment**, for additional information on these, and other maintenance projects.